

November 30, 2009

**Ex Parte**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Re: Appeal of the Harrisburg City School District, WC Docket No. 02-6

Dear Ms. Dortch:

On November 24, 2009, Mr. Jeffrey Bader, Business Administrator of the Harrisburg City School District ("District") and I met with Gina Spade, Anita Cheng and Erica Myers of the Telecommunications Access Policy Division, Wireline Competition Bureau, regarding the above-referenced appeal. The points we presented are summarized on the attached documents, which were provided to the FCC attendees.

In particular, we emphasized that requiring the District to repay support that was disbursed to its e-rate contractor – the instigator and beneficiary of the bribery scheme at the center of this case – would be unjust and would impose a substantial hardship on the District. The District is an extremely poor school district, with a very limited tax base due to the fact that much of the property within its boundaries is government property or is otherwise exempt. Payment of nearly \$3 million, were it to be required, would cripple the District's ability to provide services to the students of Harrisburg. None of the funds sought were paid to the District; all went to a company owned by the principal criminal mastermind, Ronald Morrett (and presumably from that company to Mr. Morrett himself), which has now effectively gone out of business. Moreover, such an assessment would be particularly unjust because USAC had the opportunity to obtain mandatory restitution from Ronald Morrett at his sentencing, but failed to do so, and then compounded that error by failing to pursue the funds from Morrett or his company for over two years thereafter – thus allowing the trail of any funds of Morrett or his company to grow cold. At this juncture, the Commission punishing the schoolchildren of Harrisburg for Morrett's fraud and USAC's failures either by reversing USAC's finding that the District is jointly liable for Morrett's bribery and fraud scheme, or by waiving further collection from the District under Rule 1.3, 47 C.F.R. § 1.3, on grounds of hardship and equity.

The District recognizes that the Commission has a strong interest in preventing fraud in the e-rate program. The District shares that concern. Since the Morrett/Weaver bribery scheme,

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the District has substantially overhauled its e-rate procedures, including changing its e-rate consultants. It has operated under heightened scrutiny since that time, and had all of its applications delayed in processing through early 2005.

Sincerely,



John T. Nakahata

*Counsel to the Harrisburg City School District*

cc: Gina Spade  
Anita Cheng  
Erica Myers